



**ARIZONA STATE SENATE**  
*Fifty-Fifth Legislature, First Regular Session*

**FACT SHEET FOR S.B. 1350**

income tax; returns; filing extension..

Purpose

Extends the due date, retroactive to taxable years beginning January 1, 2021, for a corporate or exempt organization's Arizona income tax return that has been granted an extension, to seven months after the initial due date.

Background

The Arizona Department of Revenue (ADOR) may grant an extension of time for filing an income tax return if: 1) at least 90 percent of the tax liability disclosed by the taxpayer's return is paid; and 2) the request for extension is received or mailed before the return's due date. If a taxpayer is granted an extension for federal income tax and the taxpayer has paid at least 90 percent of the tax liability disclosed by the taxpayer's return, an equal extension is granted for filing the Arizona income tax return. An extension may not be longer than six months from the initial due date ([A.R.S. § 42-1107](#)).

A small business corporation who makes an election for a taxable year pursuant to the requirements of the Internal Revenue Code is not subject to corporate income tax. An electing small business corporation must file an annual return with ADOR by the fifteenth day of the third month following the close of the taxable year ([A.R.S. § 43-1126](#)).

There is no anticipated fiscal impact to the state General Fund associated with this legislation.

Provisions

1. Sets the due date for a corporate or exempt organization filing an Arizona income tax return that has been granted an extension to seven months after the initial due date.
2. Exempts a small business corporation income tax return from the seven-month income tax return extension.
3. Makes technical and conforming changes.
4. Becomes effective on the general effective date, retroactive to taxable years beginning January 1, 2021.

Prepared by Senate Research  
February 8, 2021  
MG/FDR/gs